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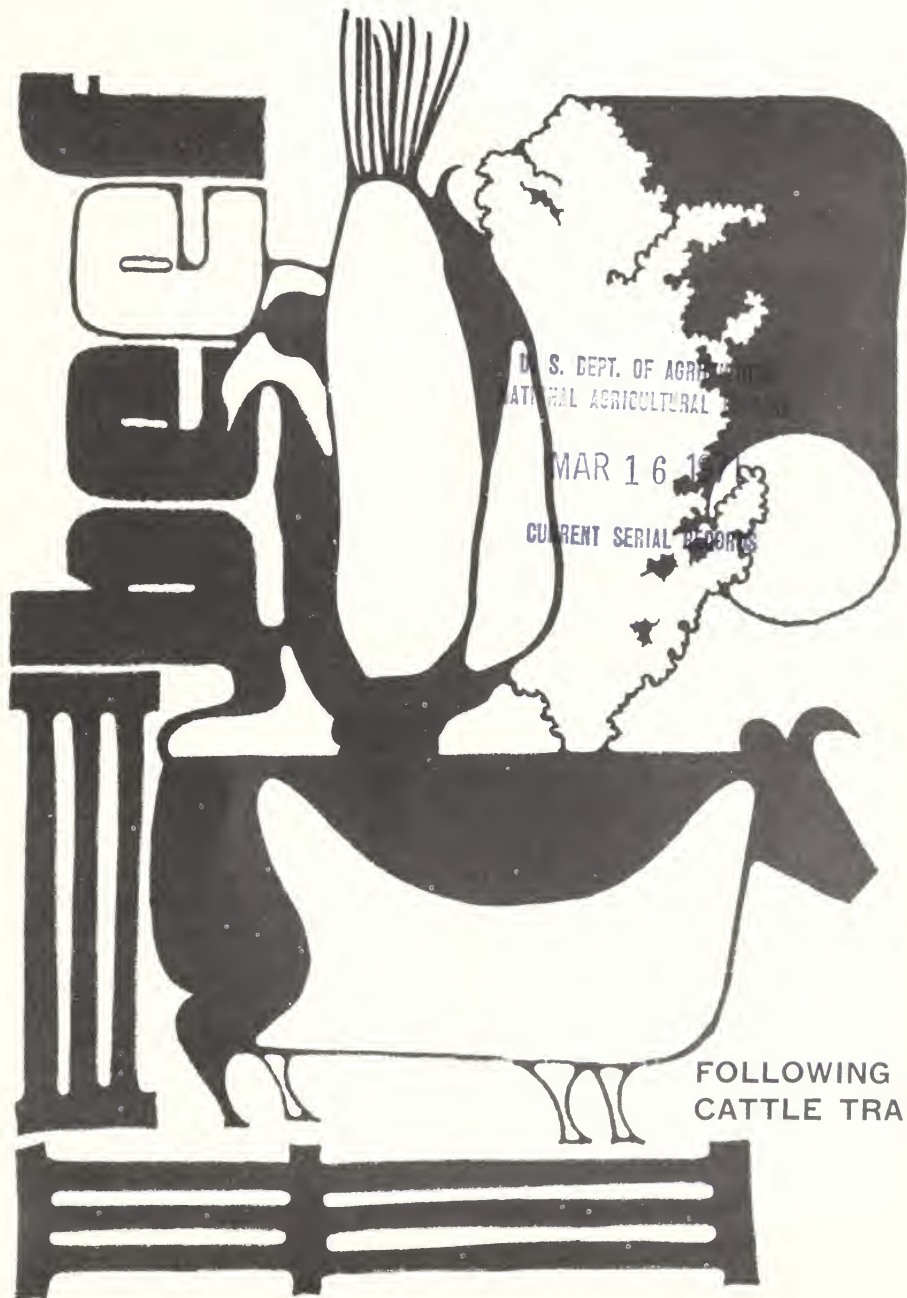
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# agricultural SITUATION

**the crop reporters magazine**

U.S. Department of Agriculture Statistical Reporting Service March 1971



**FOLLOWING NEW  
CATTLE TRAILS**

## FOLLOWING NEW CATTLE TRAILS

The century-old Chicago stockyards closed February 1, 1971. The Nation's No. 1 terminal market for most of its life had handled millions of cattle, sheep, and hogs—as many as 100,000 hogs in a single day.

New sales patterns caused by changing transportation facilities and operating efficiencies undercut the market's importance. The stockyard's heyday cattle sales after World War II—nearly 190,000 slaughter cattle, calves, and vealers in December 1946—had tapered to 100,000 by December 1969 and less than 80,000 at the end of 1970.

The trek from range to steak dinner has seen other alterations:

—Cattle feedlots feed more beef today than the whole cattle industry produced 20 years ago.

—In 1950, less than half the beef eaten in this country was from fed cattle; by 1968 it was 70 percent.

—Packers have specialized operations to handle a single kind of livestock

and set up modern plants in cattle producing areas.

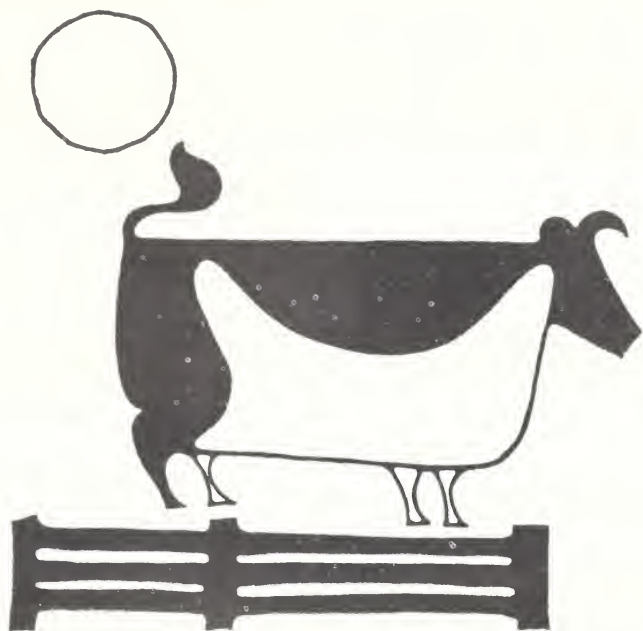
There have been changes, too, in traditional calf supply areas and feeding regions. The 17 Western States have long been the main production area for feeder stock, and still are for the Corn Belt. But coming on strong as suppliers are the Southeastern States and the Corn Belt itself.

Meanwhile, Corn Belt farmer-feeders have seen some of their usual cattle supply siphoned off by competitors in Oklahoma, Texas, Colorado, and California.

The western Corn Belt feeder draws most heavily on the Plains States from Texas to North Dakota for stock. Calves dropped on a South Dakota range in the spring—1.8 million were born there in a recent year—may show up that fall in an Iowa feedlot. They'll be there when the January 1 livestock inventory is made, since most feeder cattle in that area are kept on feed for 120 to 180 days.

Since 1950, beef production in the 50 States has shifted to higher grades. The primary shift has been one from Commercial, Utility, and Cutter and Canner to Choice. Production of prime and good has remained fairly constant.

Year	Total beef production	Fed beef		Share of total by grade						
		Quantity	Share of total	Prime	Choice	Good	Standard	Commercial	Utility	Cutter and Canner
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>						
1950	9,534	4,446	47	7	34	19	—	14	15	11
1953	12,407	5,254	42	5	34	19	—	16	13	13
1956	14,462	6,536	45	4	33	21	—	16	13	13
1959	13,580	7,818	58	4	36	27	—	14	10	9
1962	15,324	9,896	65	3	47	18	11	4	9	8
1964	18,456	12,049	65	3	49	17	10	4	8	9
1965	18,727	12,038	64	4	47	17	8	4	8	12
1966	19,726	13,207	67	4	49	18	7	4	8	10
1967	20,219	14,075	70	5	51	17	7	5	7	8
1968	20,880	14,909	71	4	52	18	6	5	7	8
1969	21,158	15,830	75	4	56	17	4	4	7	8
		(preliminary)								



Ironically, though Texas produces some 5 million calves annually and ships many out-of-State for fattening, feeders in the State's High Plains import stock from the Southeast. The apparent inefficiency is explained by preference for certain breeds, the performance of others, and consumer demand.

Normally, the Corn Belt feeder is inclined toward British beef types available from Texas as well as the traditional Western sources. The High Plains operator is satisfied with mixed breeds out of the Southeast because they feed out well, and because the finished product meets the Westerner's taste bud demands. Thus, this cattle swapping activity is profitable for all—especially for the cattle truckers.

More than 97 percent of all cattle marketed these days are trucked. Rail used to take several days. But truck hauls seldom take over 24 hours from range to feedlot. This reduces shrinkage and stress and means a cost saving for the feeder.

To offset the rigors of the range-to-feedlot trip which always causes

some weight loss or injury, new cattle usually are isolated and conditioned before being put in with stock already on feed. This prevents spread of disease, also. New stock are fed high protein rations, shot with antibiotics, and sprayed. In a given month, 600,000 or more cattle and calves may be shipped into a major feeding State like Iowa, and at one time there may be  $2\frac{1}{4}$  million on feed there.

The Corn Belt stands as the major feed bin of the country and, as such, has the most cattle feeding operations. There are roughly 115,000 lots in the Corn Belt with a capacity of 1,000 head or less, and over 250 in the 1,000-head-and-above category.

Feeding programs vary by area, degree, or specialization of the operation, size of finished animal wanted, and other factors. Most feeder cattle are brought to the lot between 500 and 700 pounds; western Corn Belt operators buy nearly three-fifths of their feeders under 700 pounds; for the High Plains and California it's 90 percent; and in Colorado, 80 percent. A 600-pound yearling steer placed on a nor-



mal feed ration may gain 2½ to 3 pounds per day and weigh around 1,100 to 1,200 pounds when sold.

Most feeders like to sell direct to a packing plant representative, its agent, or through an auction market. The direct method affords the seller a participating place in bargaining not available with the once-popular terminal market where the price wasn't negotiable, and where sales were out of the owner's hands. A survey of a recent year showed only 7 percent of all feeder cattle in major producing areas moved through terminal markets, compared with nearly 22 percent about a decade earlier.

With the decline of the terminal market which supplied animals to many slaughtering operations, plants have moved out to the feeding areas. It's also more efficient to ship meat than live animals, especially when most modern packing companies cut, trim, and package meat for delivery direct to retailers.

The livestock industry has changed a lot in recent years, but even more significant change may come this decade: Demand for meat is expected to increase one-third by 1980.

### **SRS CATTLE REPORTS**

Livestock and Poultry Inventory  
(February)

Calf Crop of preceding year  
(February)

Calf Crop expected in current  
year (July)

Meat Animals—Farm Production,  
Disposition and Income  
(April)

Livestock Slaughter and Meat  
Production (Monthly)

Cattle and Calves on Feed for all  
States (Quarterly)

Cattle and Calves on Feed for  
selected States (Monthly)

Western Range and Livestock  
Condition (Monthly)

## **LET THE SELLER BEWARE**

If you're a cattleman acting as your own selling agent, USDA's Packers and Stockyards Administration has some words of advice on how to protect yourself in this highly speculative end of the livestock business.

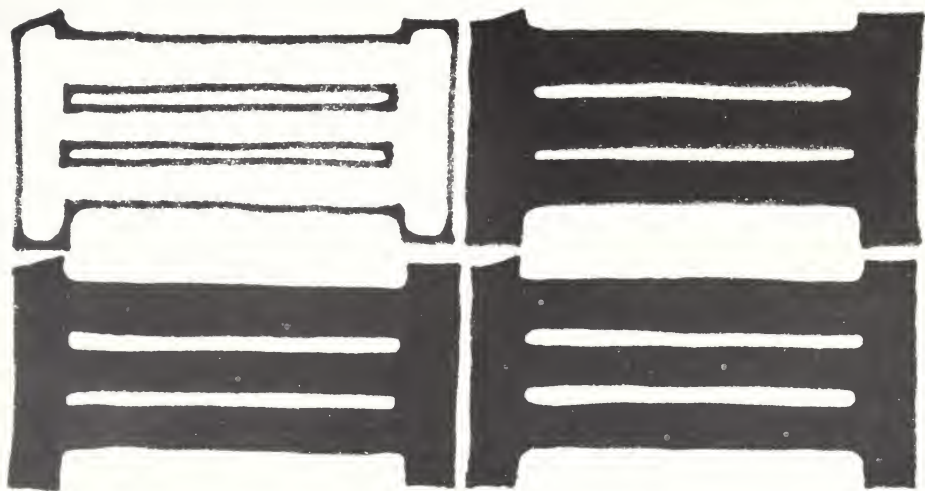
### ***Know your buyer.***

This is the cardinal rule when you're doing your own selling—and your best guarantee of getting paid. Don't, just because time is short, fail to check up on a prospective buyer's financial condition and reliability.

Your banker is probably your best ally here. He'll be able to find out fast if a buyer's out-of-town bank has funds on deposit to cover a check.

He can also tell you whether the bank on which a draft is drawn will confirm payment. (Bankers often will discourage you from accepting drafts because they delay payment—sometimes for more than a week. Also, you don't have the same legal protection with a draft that a check provides.)

Your P & SA area supervisor is another good source of information. He can tell you whether a prospective buyer is bonded, the amount of the bond, and if any formal complaint has been filed against that buyer. But P &



SA is prohibited from telling you about a buyer's financial condition or whether there are indications he may be engaging in questionable practices.

State officials can help you, too. Some States have licensing and bonding laws for your protection. Some require packers to provide bonds to cover their livestock purchases.

***Draw up a sales contract.***

It doesn't have to be elaborate. All you have to do is spell out clearly the kind, number, description, price, payment terms, and weighing conditions for your livestock.

***Always expect and demand prompt payment.***

The P & SA Act requires all selling agents, packers, and dealers to pay you by the close of the next business day—unless you've extended credit. (If you sell your livestock on a grade and weight basis, payment must be made by the close of the day after determination of grade and weight, unless you've extended credit.)

***Be very wary of extending credit.***

This often opens the door to all kinds of problems in collecting payment. Make it a rule not to take a post-dated check or a draft with a deferred

payment date—for whenever you allow a buyer to delay payment you're actually extending him credit.

Remember, P & SA bonds are calculated to cover an average of only 2 days of livestock purchases. If you and all other sellers extend a buyer a week's credit, the actual bond protection is greatly reduced.

***Hold title to your livestock until satisfactory payment arrangements have been completed.***

If you accept a draft, have your banker obtain confirmation that it will be honored.

***Notify P & SA at once if you receive an insufficient funds check.***

The same thing goes if payment is delayed beyond any credit you've extended.

***Know the scope of your P & SA financial protection.***

Remember P & SA's bonding program can't afford reasonable protection if you water down that protection by extending credit.

***Know your buyer.***

This first rule of selling is also the last rule. Information is your best protection against losing your shirt in the livestock market, advise officials.



## SPOTLIGHT ON KANSAS

"Producing beef is Kansas' largest industry," says Jasper Pallesen, Statistician in Charge of the Sunflower State's Crop and Livestock Reporting Service. "And, the way things are going, it looks like it'll get even bigger."

"In fact, cash receipts from farm and ranch marketings of beef total more than three-quarters of a billion dollars yearly. And, for the past few years, the beef income has been making up about half the cash receipts from Kansas farming, while wheat represents a quarter."

Beef, indeed, abounds in Kansas. On January 1, 1970, cattle and calves on the State's farms and ranches stood at more than 6 million—6 percent above a year earlier—and a new record high.

Farm and ranch cattle were worth more than \$1 billion at the onset of 1970: \$63.8 million for milk cows, \$958.9 million for other cattle and calves—mostly beef.

Because Kansas' beef is so important in the State's economy (the situation is similar in all livestock States), practically everyone interested in agriculture needs more accurate and timely statistics. Adding pressure to the need for these data have been the specialization of production, narrowing profit margins, the effect of inventory changes, weights, and market movements. Small changes in supplies often have a pronounced effect on prices.

That's why the statisticians' office in Kansas, and in other major livestock

producing States, uses the multiple-frame sampling technique to estimate cattle and calf numbers. (Multiple frame was also used to gage the State's over 2.2 million hogs and pigs on December 1, 1970.)

"Multiple frame gives us quite a bit more accuracy than the traditional mail survey we used so long," says Pallesen, "And it costs less than any alternative that would give comparable results. It's much more reliable than mailing out thousands of questionnaires, and getting an average of just over a third back."

Multiple frame is really two sample surveys that fit together to reduce sampling error.

First, Pallesen's staff compiles a list of the State's cattle producers and scientifically selects a sample to receive questionnaires. But since it's a small mailing, the staffers need a response from everyone contacted. They'll phone or visit all whose form is not returned.

Second, certain land segments in the State are randomly selected for visits by enumerators. This turns up cattle producers not on the list sample and gives a fuller picture of the livestock scene.

"It's an important step forward in riding herd on our biggest business," notes Pallesen.

Big is a mild word for Kansas beef. More than 2.35 billion pounds of beef





Although Kansas stands as the Nation's No. 1 wheat State, beef earns Kansas farmers about twice as much as wheat.

on the hoof has been sent to slaughter there annually during recent years. In terms of beef and veal, the output totaled more than 1 billion pounds.

Impressive, but more impressive still: Kansas feedlots alone produce more fed cattle than the State slaughterers. During 1969, the State's 9,000 feedlots fattened 1,674,000 steers and cows. Slaughter plants—led by the one at Kansas City—dispatched 1,664,000 head of cattle.

To fatten beef, Kansas farmers use great amounts of homegrown sorghum. In sorghum silage, Kansas takes first place. Almost 2.1 million tons were produced in 1970. That's about a third of the national total.

Sorghum grain—the State's leading feed crop—placed second only to Texas' output. At 697 million bushels, Kansas' sorghum totaled about a quarter of national production.

The fed cattle complex is the State's leading money earner, true. But nobody can talk about Kansas without saying wheat.

Kansas has long led the Nation in wheat production—capturing first place for wheat produced and flour milled. During 1970, Kansas wheat farmers harvested over 9.1 million acres of wheat. At 33 bushels per acre, the State produced 299 million bushels, worth almost \$382.7 million down on the farm. That's about a fifth of the Nation's wheat crop and it earns about a quarter of Kansas' farm receipts every year.



## PUTTING PIZAZZ IN YOUR PRODUCT ADS

It can take a lot of exasperating work before a producer sees his crop ready for market. Even then the road to Consumersville continues bumpy.

To cope with the increasingly complicated problems of marketing, more and more producer groups in recent years have been promoting their own commodities through wholesale and retail food outlets. Last year USDA's Economic Research Service expected some 1,200 commodity groups to invest \$120 million in product promotions. Brand name manufacturers probably spent much more.

These farm organization promotions prompted an ERS survey of their effectiveness. One test compared results of two sales campaign approaches taken by the American Sheep Producers Council in selling lamb. The first technique was to cooperate with retailers on newspaper ads featuring lamb under the retailers' name. The other approach was to promote lamb institutionally—tied to the Council's name. Both approaches helped sell more lamb, but consumers went for more lamb when the cooperative method was used.

Working with the retailers produced a 26-percent gain in lamb sales over unadvertised periods, compared with only a 10-percent gain for the institutional promotion.

The cooperative campaigns with retailers were six times as effective as the regular promotion under just the name of the farm organization, in terms of the average increase in sales per promotion dollar.

An apple campaign in six midwestern cities also was checked. Results of promotions by the Washington State Apple Commission using two special themes not only increased sales of Washington apples, but produced good gains for all apples in the 72 supermarkets surveyed.

Washington apples gained almost a third more sales in a 4-week promotion of apples in pies, salads, and special uses over a similar unadvertised period. A health theme ad pulled a fifth more sales.

Much the same rise in sales occurred in tests of other cooperative campaigns: milk, winter pears, frozen orange juice.

But however successful farm group promotions are, they are a relatively minor force in the marketplace compared with the formidable impact of brand name advertisers.

In a recent year, wholesale and retail food firms surveyed said they had accepted an average 38 promotions offered by farm groups, but hundreds or thousands from brand name firms.

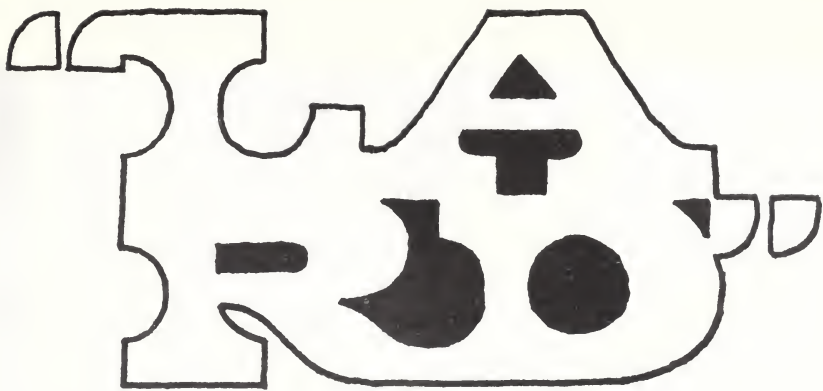
Brand name firms can make a better showing because of the advantage of larger budgets and year-round sales forces.

Some of the farm group promotions came in for criticism by food managers and buyers. The most serious drawback noted for the commodity promotions was about sales force representation. The managers also said many of the farm product campaigns were poorly planned—often aimed at the wrong target at the wrong time.

Most of the shortcomings, food outlet managers contended, stemmed from two producer problems—seasonality of the commodity and too low an advertising budget.

Other research stressed the competitive need for good packaging: attention getting, explanatory displays and packages that compete both with similar products standing label-to-label and storewide, to gain their fair share of consumer attention.

But the critics were constructive. They suggested producer groups could ease the situation for themselves if they worked with producer organizations which have different seasonal products.



Lard supplies have rebounded to an estimated 2 billion pounds in the current marketing year after dipping in the previous season to 1.88 billion pounds. Back of the gain: increased hog slaughter. Lard yields per hog have continued their long term decline.

When hogs were first introduced to the New World, the porkers were chiefly lard and bacon types. And well into the twentieth century Americans continued to raise fat rather than meaty porkers. But since World War II, consumers have clamored for leaner meats and pig producers have aimed to please.

Today's hog is far leaner than his prewar counterpart. While pork yields, at 155 pounds, are up nearly a fifth from their mid-1950's level, lard yields, at 22 pounds, are down about a third.

Prime grade lard is derived from fat taken from the area around pork kidneys. Lard has the highest shortening value of any soft fat and often is blended, after hydrogenation, with other fats or oils to make shortening. The lard imparts excellent cooking-baking qualities to commercial shortening.

The greatest use of lard is in its directly rendered form as fat for cooking and baking, commercially and in the home—although lately direct use has been falling off.

More and more lard is finding its way into mixtures of commercial shortenings and margarines. Most of this year's increase in supplies, in fact, will probably go into the manufacture of shortening.

Our total domestic use in 1970/71 is

expected to add up to about 1.6 billion pounds, compared with 1.4 billion the previous year.

U.S. lard exports and shipments leaped from 281 million pounds in 1968/69 to 405 million in 1969/70. However, increased competition abroad and relatively high prices are expected to cut our overseas sales in the current marketing year from last season's level.

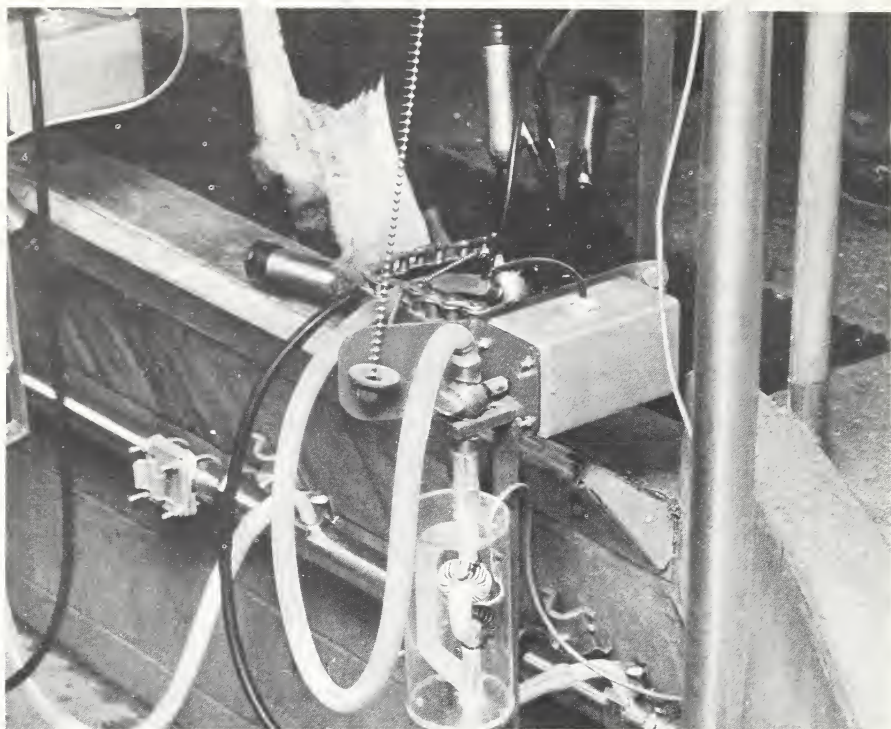
Most of our lard exports go to the United Kingdom, which, as a rule, takes two-thirds of the total. The European Community rivals us in the U.K. lard market and U.S. traders are pinning hopes of countering this competition by shipping lard under our export payment program. From January 1969 through mid-January 1971, the United States programed 560 million pounds of lard under this program. Acceptances through the first 3½ months of 1970/71 amounted to 129 million pounds.

The payment rate under the U.S. export payment program has been a cent a pound since August 1969.

Domestic prices for lard—loose in tanks at Chicago—were strong last season, averaging 11½ cents—over a third more per pound than in the previous marketing year (1968/69). Keeping prices up were the shorter lard supplies and generally good demand for food fats.

This season, 1970/71, prices remained quite firm through the fall despite the larger supplies, averaging 12 cents a pound in October 1970. But with further increases, prices are generally expected to soften.





## THE AUTOMATED MILKING PARLOR

Not yet on the market but definitely coming: a whole new milking system that may eventually do everything but put the milking machines on the cows.

And that, in the opinion of the Michigan State scientists who developed the system, could let one man singlehandedly milk 120 cows an hour.

The proposed design features electronically operated gates, milking units that detach automatically, and a unique parlor arrangement which combines the advantages of continuous and batch handling.

Perhaps even more important, some of the key laborsaving features may adapt to existing modern milking parlors.

Here's how the setup works. The cows are milked in a new arrangement called the Michigan Polygon Parlor—designed to cut excess time and motion from milking chores. One parlor model

is a 4-sided affair for 24 cows, six to a side.

When the rear gate is opened to allow six cows to enter a side, only the feed bowl farthest from the entrance is uncovered. Cow No. 1 heads for her stall, stepping on a device that automatically uncovers the bowl in stall No. 2.

This process gets repeated with each cow going to the farthest empty stall and automatically opening the bowl and feed outlet for the cow behind.

When the last cow is in her stall—and the gate closed behind—floor nozzles beneath each cow emit a spray that washes and preps udders.

Then—and only then—does any hand labor need to be done. An operator must check udders and attach teat cups. But his job stops once cups are applied.

At that point, the control system for the detaching unit takes over. Each

## IRRIGATION BY COMPUTER

When irrigation water is short, a farmer has to decide which crops should be fully watered, which ones watered sparingly, and which crops left dry.

Researchers have shown how computers can be used to find the best alternative.

A simulated computer program, developed by researchers from USDA and Harvard University, with assistance from the computer center at Colorado State University, shows that computers could be used to point out the probable dollar value of crop loss, and yield reductions should a field miss a single watering.

Ultimately, the researchers hope to perfect the technique so that irrigators and builders of irrigation systems can evaluate and compare methods of distributing water among farmers.

The pilot program was written to handle 10 farms and 9 crops for a 14 period irrigation season. Even on this modest scale, the computer is instructed to prepare possible answers to the farmer's question, "How much will I lose on the crop if it misses an irrigation?"

Further, four basic sets of water distribution plans with 21 variations were analyzed within the computer program:

*Shares:* Each farm gets a fixed water supply.

*Turn:* Each farm is watered completely before the next farm receives allocation.

*Demand:* Each farm is allocated a seasonal water supply that is used as needed.

*Rotation:* Each farm gets specific time periods for irrigation and the water the farm gets is determined by the flow during that time.

Given the amount of seasonal water, the computer could be instructed to calculate expected farm income and crop production within the irrigated area. It could also show farmers the most profitable decision for each field.

(Photo opposite)  
Teat cups drop away and milking unit is drawn back into pit. Signal to disconnect unit is provided by conductivity cell which monitors milk flow from cow. When flow falls below a specified level, vacuum is broken and unit automatically disconnects.

milking machine detaches automatically when a conductivity cell signals the cow's milk flow has ceased. After all six cows on a side have been milked, the feed bowls close, the front gate opens and the cows leave.

The present polygon parlor arrangement of four groups of six cows each is only an estimate of the final shape. You could have three, four, five, or six her-ringbone banks around a pit shaped as a triangle, square, pentagon, or hexagon. But with all the automated equipment, the parlor should contain 20 to 24 cows at once to keep one man busy attaching units.

End of our story—but beginning of a new era in dairying. The new system is capable of handling a 1,200-cow herd. And the Michigan State researchers foresee the day when their system might be the focal point for really huge dairy herds, with 200-cow subherds, each one man's responsibility.



# ag outlook

Digested from outlook reports of the Economic Research Service.  
Forecasts based on information available through January 1, 1971

**TOBACCO 1970 . . .** The 1970 tobacco crop was about 6% larger than 1969's. It was 9% above first forecasts, because flue-cured prospects improved as the season progressed. The all-tobacco yield was a record high, although acres harvested dropped 2% from the 1969 level.

●  
**TOBACCO SUPPLIES . . .** Smaller carryovers have reduced supplies available for the 1970/71 marketing year. Prices for the season will likely gain 1% above 1969/70's record-high average.

●  
**CIGARETTE ADVERTISING . . .** Cigarette manufacturers substantially boosted sales in the second half of 1970 with new brands and a final push in radio and TV ads. U.S. cigarette output for calendar 1970 exceeded 1969's by about 3%. Cigarette use may change little during 1971, even if smoking-health publicity diminishes. State tax increases and shifting advertising strategies will hold down use.

●  
**THE WHEAT CROP . . .** Spring 1971 promises a winter wheat crop of around 1,040 million bushels, judging by latest estimates. That's 7% under last year's crop, 9% less than 1969's, and the smallest since 1965.

●  
**WHEAT FEEDING . . .** Livestock will probably eat 235 million bushels or more of feed wheat in the year ending June 30. Wheat has become very attractive as feed lately because it's extremely competitive with corn—a competition that's likely to continue.

●  
**WHEAT EXPORTS . . .** International trade in wheat nearly hit 2 billion bushels in 1969/70, after some recent slumps. Trade fell to 1.7 billion in 1968/69. U.S. wheat exports are expected to total 725–750 million bushels this year, more than last season's 606 million.

**WHEAT CARRYOVER CUTS** . . . Because exports and feed use of wheat are on the rise, the carryover as of June 30, 1971 is expected to fall 200 million bushels less than the 1970 carryover of 883 million. The Nation will probably need 1.5 to 1.6 billion bushels to satisfy 1970/71 demand.

**THE MARKET BASKET** . . . Retail costs of the market basket may average slightly above last year's levels during first half 1971. Abundant food supplies and a slackening in the advance of disposable income will help hold down food price rises. Returns to farmers for market basket foods, particularly red meat, may decline.

**THE SPREAD** . . . Marketing spreads will likely increase, during 1971, though a bit more slowly than 1970's rate, 7%. Last year, marketing spreads rose substantially more than the average amount during the past five years. Last year's sharp rise reflected substantial increases in wages and other costs of doing business.

**ACRES FOR 1971** . . . This year farmers got an early look at what the Nation's fields may produce next fall. The Crop Reporting Board issued a planting intentions report for eight important crops in selected States on January 25, 1971. Further information on what farmers will plant will be available in the usual Planting Intentions Report lock-up on March 16. Here's how farmers' intentions for eight crops stack up now, compared with last year's figures:

	Selected States		U.S. total
	1971 January intentions	1970 Planted acres	1970 Planted acres
	<i>Million acres</i>		
Corn	70.1	66.0	67.2
Sorghum	20.2	17.3	17.3
Oats	23.3	24.0	24.3
Barley	10.6	10.1	10.4
Durum wheat	2.5	2.1	2.1
Other spring wheat	10.5	9.0	9.1
Soybeans	45.9	42.9	43.3
Cotton	11.8	11.9	11.9

**FINANCE** . . . Lower interest rates, easing of tight money, and increasing production costs spell further credit use by farmers in 1971. Farm debt (excluding CCC loans) outstanding at the beginning of 1971 was 6% above a year earlier. Interest rates for loans made in 1971 are expected to average 1 percentage point below a year ago. Both long- and short-term farm loans will carry lower interest rates.

**PORK** . . . Last year saw one of the sharpest declines ever in the price of hogs. Decreases were much greater than price decreases at retail. Thus, marketing spreads widened sharply. While widening of margins at a time of falling live animal prices is not unusual, the magnitude of last year's change was more dramatic than usual.

## STATISTICAL BAROMETER

Item	1957-59 average	1969	Latest data available	
Prices received by farmers (1967=100)	—	108	107	Jan. 1971
Prices paid, interest, taxes, wage rates (1967=100)	—	109	117	Jan. 1971
Ratio (1967=100) <sup>1</sup>	—	99	91	Jan. 1971
Consumer price index, all items	100	128	138	Nov. 1970
Food	100	126	132	Nov. 1970
Average value of land per acre (1967=100)	—	115	118	Nov. 1970
Total value of farm real estate (\$bil.)	—	207.3	210.7	Nov. 1970
Agricultural exports (\$bil.)	4.2	<sup>3</sup> 6.6	0.7	Dec. 1970
Agricultural imports (\$bil.)	3.9	<sup>3</sup> 5.5	0.5	Dec. 1970
Disposable personal in- come (\$bil.)	321.5	631.6	693.0	( <sup>4</sup> )
Expenditures for food (\$bil.)	66.3	105.3	114.6	( <sup>4</sup> )
Share of income spent for food (percent)	20.6	16.7	16.5	( <sup>4</sup> )
Farm food market basket: <sup>2</sup>				
Retail cost (\$)	983	1,174	1,211	Nov. 1970
Farm value (\$)	388	478	448	Nov. 1970
Farmers' share of re- tail cost (percent)	39	41	37	Nov. 1970
Realized gross farm in- come (\$bil.)	36.5	54.6	56.5	( <sup>4</sup> )
Production expenses (\$bil.)	24.9	38.4	40.8	( <sup>4</sup> )
Realized net farm income (\$bil.)	11.6	16.2	15.7	( <sup>4</sup> )

<sup>1</sup> Ratio of Index of Prices Received by Farmers to Index of Prices Paid, Interest, Taxes, and Farm Wage Rates.

<sup>2</sup> Average annual quantities per family and single person household bought by wage and clerical workers 1960-61 based on Bureau of Labor Statistics figures.

<sup>3</sup> July 1, 1969-June 30, 1970.

<sup>4</sup> Annual rate, seasonally adjusted third quarter.

## CALLING SPRING'S SIGNALS

Pale green blades nudge through acres of soil on a warm spring day. This signals spring for those who drive or walk through the countryside.

But the farmers who planted the fields know that the signals for spring were called way before that. They ploughed, applied fertilizer and pre-emergence chemicals, and seeded. But, farmers acted even before all these things.

Sometime during midwinter, they weighed considerations such as potential market prices, rising production costs, and expected yields. They decided which crops to plant and how many acres to devote to each crop.

They met with county representatives of the U.S. Department of Agriculture to talk about new farm program guidelines and the effect on acreages. Some farmers discussed shifting portions of cropland to other uses.

And there were numerous conversations between farmers and rural bank credit managers to obtain loans for new equipment, production supplies, or perhaps additional land.

Acreage information plays a pivotal role in almost every action farmers take during the planning stage. This year the farmers had more of it than usual.

SRS issued a special plantings report in January. The report covered eight crops, based on farmers' responses in 35 States. (See p. 12 for their responses.) The Secretary of Agriculture

requested this earlier-than-usual report following new farm legislation and the corn blight of 1970.

Planting intentions from this and the usual March planting intentions report will cue farm activity across the Nation. Farmers may alter their acreages; USDA planners can make program adjustments; equipment manufacturers and plants making chemicals can anticipate demands.

Based on these reports, railroad and trucking officials decide how many boxcars and trucks will be needed. Livestock producers gage buying, feeding, and selling schedules.

In July, SRS issues the acreage for harvest estimate of spring-sown crops. Actual harvested acreage is reported in December. The acres farmers plant to winter wheat are estimated in December, after fall planting, and acreage for harvest is reported the following May.

The Crop Reporting Board still relies heavily on mailed questionnaires to find out the planting intentions of farmers. In late February, 376,000 producers get questionnaires. The more of these that get returned, the more reliable the March report.

Actual planted acreage reports are based more on enumerative surveys in late May and early June. In this survey, many producers personally are asked what they have growing in certain fields. This technique is also important in the fall-sown acreage estimate.

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